

RUSSIA AND THE WEST IN IRAN

ter of Justice, the Council decided to appoint a rapporteur. The latter informed the Council in February, 1933, that the disputing parties had entered into direct negotiations, and thus the matter was dropped from the agenda. On May 28, 1933, a new concession was granted to the Anglo-Iranian by Iran.

The new concession is valid for 60 years and is much more favorable to Iran than was the old one. The new terms provide for an annual payment to Iran of 20 per cent of the dividend on ordinary shares in excess of 671,250 pounds sterling. The company is also bound to pay 4 shillings a ton sold or exported. It is exempt from taxes, but it must pay Iran during the first fifteen years of the concession 9 pence for each of the first 6,000,000 tons of oil and 6 pence for each ton in excess of this sum. During the next fifteen years these dues will increase up to 1 shilling a ton and 9 pence a ton, respectively. The total sum of all dues cannot in any case be lower than 1,050,000 pounds sterling a year. Another important stipulation is that the territory of the concession is to be limited to 100,000 square miles, which may be chosen by the company south of the line drawn on the map attached to the document of the concession. This line runs approximately from the point north of Qasr-i-Shirin (Zohab region) on the Iranian-Iraqi frontier, through the area north of Kermanshah, then south of Yazd and Kerman, through Saidabad and Irafshan to the frontier of Indian Baluchistan. The new concession foresees also gradual "iranization" of the company's personnel and training of Iranian students at its expense. The Iranian Government Commissioner is maintained, and

the Anglo-Iranian continues to pay his salary. A special clause deals with the price of oil in Iran with a view to protecting Iranian consumers. Finally the concession agreement contains clear and precise provisions concerning the procedure of arbitration.

Compared with the previous concession, the new agreement gave so many more benefits to Iran that its conclusion could justly be regarded as a great victory for Reza Shah's bold foreign policy and as a final act in the process of development and assertion of Iranian independence. By this act perhaps more than by any other, the new regime demonstrated that, far from being a tool in the hands of